



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 4, 2000

TO: Minerals File

FROM: Doug Jensen, Senior Reclamation Specialist *D. Jensen*

RE: Site Inspection, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Inspection: August 2, 2000

Time of Inspection: 1:30 p.m.

Conditions: Hot and Smokey

Participants: Wayne Hedberg, Doug Jensen, Lynn Kunzler, DOGM

Purpose of Inspection: Assessment of Soil Stockpiles and Ditch Clean-out

We visited the site for the purpose of inspecting the pits recently opened in the soil borrow areas and to check the ditch clean-out effort. There were no North Lily employees that we were aware of during the inspection.

The first area visited was the soil borrow areas. There were multiple pits opened and the soil depths varied between 18 inches to 30 inches through the area. The areas where the soil had been stockpiled initially had as much as six feet of soil. The soil in the borrow areas is sufficient to complete the closure of the facility. One major problem noted during the visit, by Lynn Kunzler, DOGM's biologist, was the entire area where the soil borrow area is infested with spotted knapweed. This is a noxious weed and use of the soil on the heaps will only help to spread the infestation. Lynn suggested the possibility of adding only 10 to 20 tons of amendments to the heap material and forgo the placement of soil. While this is a possible option, a discussion with DWQ and North Lily will be necessary before any decision can be made. A possible option would be, instead of spending the money to place soil on the heap, to use the money next spring on weed eradication around the site. This option will also have to be discussed with all parties involved. Possible solutions could be discussed in the next North Lily tele-conference.

The plant site and the solution ditches was the next area visited. The weir had been placed in the ditch and the water level in the weir was 2 1/4 inches. It is unknown what this measurement equates to but I estimate the flow at < 40 gpm. The flow was estimated at 45 to 50 gpm during the July 11th inspection. Now that solutions are no longer being applied to the heap, flows should start to diminish.

The clean-out of the ditches and the lengthening of the pad underflow drains looked good. There were several areas where it looked like there were drains that had not been dug out. The heap

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material around these particular areas showed signs that they were still spalling off, making any effort to dig them out at this time difficult, if not impossible. Possibly after the pad drain-down slows down and these areas dry out, these lines can be accessed. Walt Shubert had asked if the ditch clean out was sufficient to allow for the placement of the ADS line. I feel that with a small amount of hand work in several places this project can begin. Although the patching of the holes in the ditch liner has not been completed. This will have to take place before the line placement can begin. I would like to inspect the project after the initial placement of the gravel underdrain material and the line is placed, but before the final gravel cover is placed.

The "mister" sprays were active in both the overflow and the preg pond at the time of the visit. The solution level in the preg pond was higher than it had been during my July 11th visit. This is because the solution application to the heap had been shut down for a period, but the evaporation rate of the preg pond "mister" system was not sufficient to maintain the preg pond levels. Solution application to the heap was resumed for additional evaporation capacity. On July 27, when approval was received from DWQ for use of the overflow pond for additional off pad "mister" capacity, solution application to the heap ceased. It is hoped that the addition of the "mistifiers" in the overflow pond will be sufficient to eliminate the need to use the heap for additional evaporation capacity in the future. This will eliminate the need to use the heap for solution application which will facilitate the reclamation efforts.

We walked through the plant before leaving the site. The building still contains most of the components from the Merrill-Crowe process, plus other processing equipment. Because none of the items presently in the building will be used during the reclamation and closure phase of this operation, an inventory should be initiated to facilitate the disposal of these items.

We left the site for Salt Lake around 2:30 PM.

jb
cc: Steve Flechner, North Lily Mining
Walt Shubert, North Lily Mining
Bob Bayer, JBR
Beth Wondimu, DWQ
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